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Date Printed: 01/09/1997

DOC_NUMBER: 9537ATE167254

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FOR A/DCM SILVER FROM EAP/CM STANTON ACTING

E.O. 12356: DECL: OADR

TAGS: AMGT

SUBJECT: OFFICIAL-INFORMAL

- 1. (U) THIS IS O-I NO. 127, JULY 12, 1995.
- 2. (C) FOR MONROE FROM ELLIS. ZOU JIAHUA. VISITING WITH US THIS AFTERNOON, ERIC MELBY AND KEVIN NEALER OF THE SCOWCROFT GROUP ASKED US ABOUT ZOU JIAHUA'S ROLE IN FORMULATING AND IMPLEMENTING THE AUTOMOTIVE INDUSTRIAL POLICY. THEY UNDERSTAND THAT WU BANGGUO HAS THE LEAD AND THAT LI LANQING HAS INPUT ON TRADE-RELATED MATTERS. THEY HAVE ALSO HEARD THAT ZOU IS INVOLVED, BUT SECRET

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STATE 167354 130045Z WERE NOT SURE HOW. WE PRESUME THAT IT WOULD BE IN HIS CAPACITY AS FOREIGN INVESTMENT CZAR. IS THIS HOW YOU UNDERSTAND THINGS WORK? ANY INSIGHTS WOULD BE APPRECIATED.

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- 3. (C) FOR SILVER FROM ROE/STANTON. NEO-EZHI POLICY. THANKS FOR SHARING AMBASSADOR LORD'S WRITTEN STATEMENT AND Q AND A'S FROM HIS JUNE 27 HIRC TESTIMONY WITH CHINESE OFFICIALS. AMB. LORD WANTED TO KNOW IF THEY HAD HELPED MODERATE THE MISTAKEN VIEWS OF CHINESE OFFICIALS. ANY FEEDBACK ON CHINESE REACTIONS TO OUR EFFORTS TO SET THE RECORD STRAIGHT WOULD BE APPRECIATED.
- 4. (C) FOR MONROE FROM MICHALAK. BOEING DEAL NIXED BECAUSE OF GINGRICH? WE HAVE HEARD DISTURBING RUMORS THAT A FIVE BILLION DOLLAR BOEING CONTRACT HAS BEEN CANCELLED, OR "POSTPONED" AS A RESULT OF CHINESE IRE OVER GINGRICH'S STATEMENT ON TAIWAN. DO YOU ALL HAVE ANY INFORMATION ON THIS? CAN YOU CHECK IT FOR US? OBVIOUSLY, WE ARE ALSO INTERESTED IN ANYTHING FURTHER YOU CAN COME UP WITH ON THE MOFTEC REFUSAL TO MEET IN JULY. DO THE CHINESE REALIZE WHAT THIS COULD DO TO BUSINESS



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- PAGE 03 STATE 167354 130045Z FOR MONROE FROM MICHALAK. (LOU) LORD/WIEDEMANN MEET WITH CONGRESSIONAL DELEGATION ON MFN. WIEDEMANN AND AMBASSADOR LORD (WHO ARRIVED AFTER ATTENDING THE DC MEETING REPORTED ON ELSEWHERE) MET WITH ABOUT TWENTY CONGRESSPEOPLE AND AN EQUAL NUMBER OF CONGRESSIONAL STAFFERS TO DISCUSS THE UPCOMING VOTE (JULY 19) ON THE CONGRESSIONAL RESOLUTIONS (SPONSORED IN THE HOUSE BY WOLF/PELOSI AND POSSIBLY SOLOMON) TO DISAPPROVE THE PRESIDENT'S DECISION ON MFN. ALSO PRESENT WERE CHARLENE BARSHEFSKY AND A REPRESENTATIVE OF THE CUSTOMS SERVICE.
- 6. (LOU) MORE MFN. THERE APPEAR TO BE A NUMBER OF NEWER CONGRESSPEOPLE WHO DO NOT FULLY UNDERSTAND THE ISSUES AND WOULD LIKE TO HAVE VOTED AGAINST MFN LAST TIME AROUND. THE HARRY WU ISSUE GIVES THOSE PEOPLE AN EXCUSE TO BREAK PARTY DISCIPLINE AND VOTE AGAINST CHINA. THERE WERE A NUMBER OF QUESTIONS ON FOITIS EATING AND HARRY WU. THERE WAS ONE QUESTION ON NON-PROLIFERATION. BOTTOM LINE IS

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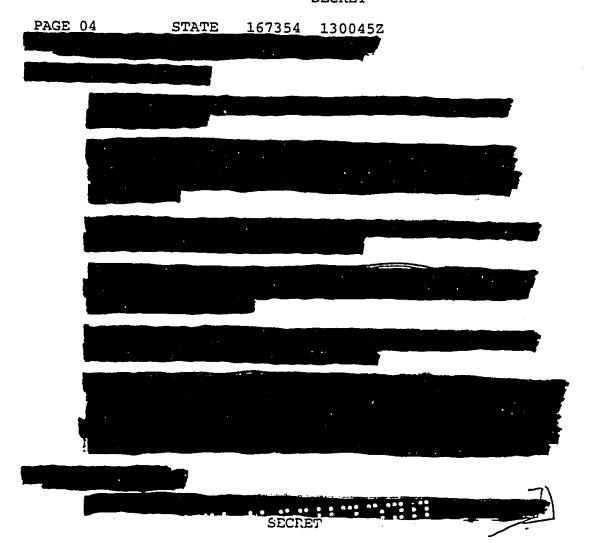
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THAT THERE IS A GREAT DEAL OF NERVOUSNESS ON THE HILL AMONG MFN SUPPORTERS CONCERNING THIS YEAR'S VOTE. THE VOTE COUNTS ARE CLOSE: MANY SHOWING LESS THAN THE REQUIRED 218, SOME SHOWING MORE, BUT ALL RATHER CLOSE. STAY TUNED AND BUCKLE YOUR SEAT BELTS.

7. (S) FOR HALLFORD FROM STANTON/MICHALAK. NSC MEETING ON CHINA. WE RECEIVED BRIEF READ-OUTS FROM LUODE DASHI AND SUETTINGER ON THIS AFTERNOON'S MEETING WHICH ADDRESSED THE ISSUE OF "HARRY WU AND MFN." IN GENERAL, THE MEETING WENT AS WE HOPED IT WOULD, BEARING IN MIND THAT ONE OF THE ISSUES WAS THE POSSIBILITY OF SECRET

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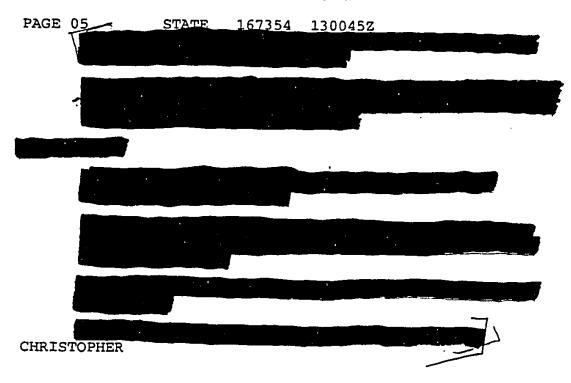


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